

SENEX ENERGY LIMITED

ABN 50 008 942 827

SECURITIES TRADING POLICY

**Adopted on 22 October 2012, and amended on 26
September 2013, by authority of the Board of Directors**



**Francis Leo Connolly
Secretary & Legal Counsel**

Executive summary

This policy replaces the Securities Trading Policy that was adopted by the Board of Senex Energy Limited (**Senex**), on 23 June 2010, and released to ASX on 31 December 2010.

In order to preserve the reputation and integrity of Senex, it is vital that when a person associated with Senex deals in Senex securities the dealing is not only fair, but is seen to be fair. When a Senex Person deals in Senex securities they must be sure that it does not reflect badly on them or Senex. This policy is designed to avoid the possibility that misconceptions, misunderstandings or suspicions might arise.

This policy has three parts:

- 1) Insider trading provisions of the Corporations Act
- 2) Restrictions for all Senex People
- 3) Additional restrictions for Designated Senex Persons

1) **Insider trading provisions of the Corporations Act**

Under the Act, a person in possession of inside information (**insider**) is prohibited from:

- dealing in particular securities (which may be Senex securities or securities of any other body or entity);
- procuring another person to deal; or
- communicating inside information to any other person.

Please ensure you understand section 1 of this policy.

2) **Restrictions for all Senex People**

A Senex Person must not:

- release or communicate non-public information about Senex except in accordance with the Senex Communication and Disclosure Policy;
- deal or procure a dealing in Senex securities while in possession of price sensitive information;
- communicate inside information to another person;
- deal in Senex securities during a Blackout Period; or
- engage in short term trading of Senex securities.

Please ensure you understand section 2 of this policy.

3) **Additional restrictions for Senex Designated Persons**

A Senex Person who is a Designated Person must not:

- deal in Senex securities without first obtaining approval;

- enter into a margin loan relating to Senex securities unless they have first provided notification to Senex and the margin loan is subject to certain conditions; or
- enter into a hedging arrangement or deal in a derivative relating to Senex securities without first obtaining approval from the Board.

Please ensure you understand section 3 of this policy.

Application of this policy

This policy applies to directors, officers and employees of Senex and certain other persons who have agreed to be bound by this policy (**Senex People** or individually a **Senex Person**). It also applies to nominees, agents and other associates of Senex People, such as family members, family trusts and family companies. Every Senex Person has a personal responsibility to ensure that their associated parties (their immediate family, including spouse, partner and dependants, their family company and family trust) comply with the same restrictions as apply to them.

This policy operates in addition to all legal requirements.

The insider trading provisions described in part 1 of this policy operate whenever there is inside information ie information that a reasonable person would expect to have a material effect on the price or value of certain securities, whether they are Senex securities or securities of any other body or entity.

The requirements and restrictions under parts 2 and 3 of this policy apply to:

- Senex shares;
- any other securities that Senex may issue, including options or rights under an employee incentive scheme;
- derivatives and other financial products that third parties may issue or create over Senex securities; and
- products that operate to limit economic risks of holding Senex securities.

This policy is an important document and any question about it should be directed to the Company Secretary.

Compliance with this policy

It is the personal responsibility of each individual Senex Person to comply with this policy. Any Senex Person may be asked to confirm their compliance with this policy or provide confirmation of their dealings in Senex's securities. A Senex Person must respond promptly to any such request.

The Board may determine in its discretion, the manner in which any Senex Person who breaches this policy should be dealt with, and may direct that any Senex employment or other contractual arrangement with such person be terminated summarily.

1) Insider trading provisions of the Corporations Act

The *Corporations Act 2001* (Cth) (the **Act**) prohibits insider trading.

Under the Act, a person in possession of inside information (**insider**) is prohibited from:

- a) dealing in particular securities (which may be Senex securities or securities of any other body or entity);
- b) procuring another person to deal; or
- c) communicating inside information to any other person if:
 - the insider knows or ought reasonably to know that the inside information is not generally available and that if it were, it would have a material effect on the price or value of those securities; and
 - in relation to (c), the insider knows, or ought reasonably to know, that the other person would, or would be likely to, deal in the securities or procure another person to deal in the securities.

Inside information is information that is not generally available, and, if the information were generally available, a reasonable person would expect it to have a material effect on the price or value of certain securities.

Dealing includes applying for, acquiring or disposing of securities, or entering into an agreement to apply for, acquire or dispose of securities.

Security includes a share, an option, a right under an employee incentive scheme and any other security, and it may be a Senex security or a security of any other body or entity.

Any person in possession of inside information has a duty to keep that information confidential and must not disclose or communicate the information to any other person. The person in possession of inside information does not have to be a Senex Person to be guilty of insider trading in relation to Senex securities.

The insider trading prohibition extends to dealing through, or procuring a dealing through, a nominee, agent or other associate, such as a family member, family trust or family company or communicating inside information to any of them.

Significant criminal and civil liability and penalties (including imprisonment) may be imposed on any person who breaches any insider trading provision.

However, even a suspicion or an allegation of insider trading can do severe and long term damage to the reputation of any individual concerned, their associates, and their employer. Senex expects every Senex Person to conduct their affairs with the level of probity and integrity that ensures Senex is never exposed to that risk.

2) Restrictions for all Senex People

a) Communication of non-public information

Disclosure of non-public information may result in a breach of the Company's continuous disclosure obligation, or a breach of the insider trading provisions. The Senex **Communications and Disclosure Policy** sets out who has authority to communicate on behalf of Senex and how Senex communicates with external parties. A Senex Person must comply with this policy in any communication with an external party.

If any Senex Person is aware of any disclosure, inadvertent or otherwise, of any material non-public information, they must notify the Company Secretary immediately so that the Company's disclosure obligation can be assessed.

b) Inside information

A Senex Person in possession of inside information must not:

- i. deal in any security that may be affected by the information (which may be a Senex security or a security of any other body or entity);
- ii. procure another person to deal in any such security; or
- iii. communicate inside information to any other person.

c) Blackout Periods

In addition to the restrictions that apply when a Senex Person is in possession of inside information, there are other periods (**Blackout Periods**) when Senex People must not deal in Senex securities.

Senex People are prohibited from dealing in Senex securities during the following Blackout Periods:

- i. the two weeks prior to and including the day of release of the Senex full year results or half year results by ASX;
- ii. any other period notified from time to time.

The Chairman, Chief Executive or Company Secretary may notify of a Blackout Period at any time that any of them considers that dealing in Senex securities by Senex People should be prohibited due to the possession or development by any Senex Person of information that is, may be or may become inside information.

The Blackout Period commences when the Chairman, Chief Executive or Company Secretary notifies Senex People of the commencement of the Blackout Period by letter, email or facsimile.

The Blackout Period does not end automatically – it closes when the Chairman, Chief Executive or Company Secretary notifies Senex People that it has ended.

d) Some exceptions to Blackout Period restrictions

The Blackout Period restrictions do not apply to:

- a dealing in Senex securities by a superannuation fund in which a Senex Person is a beneficiary where any decision to trade during a Blackout Period is taken by the trustees of the fund or by the investment managers independently of and without consulting the Senex Person;
- a dealing in units or other interests of a fund or scheme (other than a fund or scheme that invests only or predominantly in Senex securities) where the assets of the fund or scheme are invested at the discretion of a third party independently of and without consulting the Senex Person;
- where a Senex Person is a trustee, a dealing in Senex securities by the trust provided the Senex Person is not a beneficiary of the trust and any decision to trade during a Blackout Period is taken by the other trustees or the investment managers independently of and without consulting the Senex Person;
- an undertaking to accept, or the acceptance of, a takeover offer;
- a dealing in Senex securities under an offer or invitation made to all or most of the security holders of Senex, such as a rights issue, security purchase plan, dividend or distribution reinvestment plan or an equal access buy-back; or
- the exercise (but not the sale of Senex securities following exercise) of an option or a right under an employee incentive scheme, or the conversion of a convertible security.

e) Seeking approval to sell during a Blackout Period due to exceptional circumstances

A Senex Person may dispose of (but not acquire) Senex securities during a Blackout Period if:

- they are not in possession of inside information in relation to Senex; and
- they obtain prior approval as set out below to dispose of those Senex securities during the Blackout Period.

A Senex Person who wishes to deal in Senex securities under this exception must give notice to the Company Secretary of their intention and must obtain approval from the Company Secretary prior to dealing in Senex securities.

Approval will only be given where the person giving approval is satisfied that:

- the Senex Person is in financial difficulty; or
- there is some other exceptional circumstance that requires the Senex Person to dispose of those Senex securities during the Blackout Period.

Any dealing must be completed as soon as possible and in any event within 5 business days of receiving approval. The Senex Person must confirm the dealing and relevant details of the dealing to the Company Secretary within 2 business days after the dealing.

The Company Secretary must report to the Board at the next meeting of Directors any dealing reported by a Senex Person.

f) Prohibition on short-term trading

A Senex Person must not engage in short-term trading of Senex securities. Any sale of Senex securities within three months after any acquisition of Senex securities constitutes short-term trading.

g) Exceptions to prohibition on short-term trading

Senex securities acquired upon exercise of employee options or rights

Notwithstanding the prohibition on short term trading, there are certain circumstances in which a Senex Person who acquires Senex securities upon exercise of options or rights under an employee incentive scheme, or conversion of convertible securities may sell part or all of those securities within three months after the acquisition.

This exception applies to a Senex Person if:

- they are not a Designated Person;
- they are not in possession of inside information in relation to Senex;
- they are selling part or all of the Senex shares they acquired on exercise of employee options or rights within 30 days of the acquisition; and
- the sale does not occur during a Blackout Period.

This exception applies to a Designated Person if:

- they are not in possession of inside information in relation to Senex;
- they obtain the Company Secretary's prior approval to sell those Senex securities;
- they are selling part or all of the Senex shares they acquired on exercise of employee options or rights within 30 days of the acquisition; and
- the sale does not occur during a Blackout Period.

A Designated Person wishing to sell Senex shares under this exception must give notice to the Company Secretary of their intention and must obtain approval from the Company Secretary prior to dealing in Senex securities.

Any dealing must be completed as soon as possible and in any event within 5 business days of receiving approval. The Senex Person must confirm the dealing and relevant details of the dealing to the Company Secretary within 2 business days after the dealing.

The Company Secretary must report to the Board at the next meeting of Directors any dealing reported by a Senex Person.

Seeking approval to sell within 3 months due to exceptional circumstances

A Senex Person who is in financial difficulty or facing other exceptional circumstances may ask the Company Secretary for approval to sell Senex securities within three months after an acquisition of Senex securities. The Senex Person may only sell Senex securities in such circumstances if:

- they are not in possession of inside information in relation to Senex;
- they obtain the Company Secretary's prior approval to sell those Senex securities; and
- the sale does not occur during a Blackout Period.

Approval under this paragraph will only be given where the person giving approval is satisfied that:

- the Senex Person is or will be in financial difficulty, which may include financial difficulty resulting directly or indirectly from acquisition of Senex securities; or
- there is some other exceptional circumstance that requires the Senex Person to sell those Senex securities within three months after the acquisition of Senex securities.

Any dealing must be completed as soon as possible and in any event within 5 business days of receiving approval. The Senex Person must confirm the dealing and relevant details of the dealing to the Company Secretary within 2 business days after the dealing.

The Company Secretary must report to the Board at the next meeting of Directors any dealing reported by a Senex Person.

3) Additional restrictions for Senex Designated Persons

a) Directors must facilitate disclosure of notifiable interests

Every Senex director must provide to Senex all information that Senex requires in order to comply with ASX listing rule 3.19A within the time period required by listing rule 3.19A, including all information that Senex requires in order to lodge an Appendix 3X, 3Y, or 3Z (as applicable) with ASX in fulfilment of its obligations under section 205G of the Act and Listing Rule 3.19A for the disclosure of the notifiable interests of directors.

b) Members of key management personnel must facilitate disclosure of notifiable interests

Every member of key management personnel must provide to Senex all information that Senex requires in order to comply with requirements under the Corporations Act and ASX listing rules for disclosure of their interests in Senex securities and transactions in Senex securities.

c) Designated Persons

Certain Senex Persons (**Designated Persons**) who are likely to be in possession of, or exposed to the development of, inside information are subject to additional restrictions. For the purposes of this policy the following are Designated Persons:

- executive and non-executive directors;
- the Chief Executive, Chief Financial Officer, and Company Secretary;
- General Managers and other direct reports to the Chief Executive; and
- other persons nominated by the Company Secretary from time to time on the basis that their duties, project work or work on a transaction may lead to possession or development of information that is or may be inside information.

The Company Secretary in consultation with the Chairman may from time to time designate any other Senex Person as a Designated Person for the purposes of this policy and notify that Senex Person of the designation.

Any Senex Person who is a member of key management personnel of Senex group is a Designated Person. The expression key management personnel has the same meaning in this policy as it has under the Corporations Act and ASX listing rules.

d) Designated Persons need prior approval for any dealing in Senex securities

Any Designated Person wishing to deal in Senex's securities must give notice of their intention to the person or persons specified below prior to dealing in Senex's securities.

If a director (other than the Chairman or an executive director), an officer (other than the Chief Executive, Company Secretary, or Chief Financial Officer) or any other Designated Person wishes to deal in Senex securities they must give notice to the Company Secretary of their intention and must obtain approval from the Company Secretary prior to dealing in Senex securities.

If the Chairman, the Chief Executive, the Company Secretary or the Chief Financial Officer wishes to deal in Senex securities they must give notice to each other of their

intention and must obtain approval from any two of the persons to whom notice is provided prior to dealing in Senex securities.

Any dealing by a Designated Person must be completed as soon as possible and in any event within 5 business days of receiving approval. The Designated Person must confirm the dealing and relevant details of the dealing to the Company Secretary and any other person who provided the approval within 2 business days after the dealing.

The Company Secretary must report to the Board at the next meeting of Directors any dealing reported by a Designated Person.

These restrictions do not apply in the circumstances outlined in paragraph 2(d).

e) Margin lending

If a Designated Person or an associated party proposes to provide any form of security or control over Senex securities as collateral for a finance arrangement, they must ensure that the security obligations do not conflict with their obligations under this policy. In particular, the Designated Person must ensure that the terms of any margin lending arrangement do not permit or require a dealing in Senex securities at any time that the Designated Person is prohibited from dealing in Senex securities.

Any proposal to provide any such security or control over Senex securities, whether under a margin lending arrangement or otherwise, is subject to the prior approval requirements under paragraph 3(c).

Once approved under paragraph 3(c), the Designated Person who enters into a margin lending arrangement must provide the following information to the Company Secretary within ten days of entering into the arrangement:

- the number of Senex securities subject to such arrangement;
- the trigger events for disposal of the securities;
- any other information that may be relevant to Senex's continuous disclosure obligations, including the ability of the Designated Person to meet any margin call.

If any Designated Person has provided details of any margin lending arrangements, they must keep the Company Secretary informed of any change in circumstances that may be relevant to Senex's continuous disclosure obligations.

f) Hedging

A Designated Person must not, without approval from the Board, enter into a hedging arrangement, deal in a derivative or enter into any other arrangement to protect against or limit the risk associated with a holding of Senex securities.